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Security Council

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Security Council Committee established pursuant to resolution 1737 (2006)

Letter dated 27 August 2010 from the Permanent Representative of Canada to the United Nations addressed to the Chairman of the Committee

In response to the request from the Security Council Committee established pursuant to resolution 1737 (2006), Canada is pleased to provide the Committee with its report on the implementation of measures decided by the Security Council in resolution 1929 (2010) (see annex).

My apologies for the delay in our response.

(*Signed*) John **McNee**
Ambassador
Permanent Representative

10-50230 (E) 280910

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Annex to the letter dated 27 August 2010 from the Permanent Representative of Canada to the United Nations addressed to the Chairman of the Committee

[Original: English and French]

Report of Canada on the implementation of measures decided by the Security Council in resolution 1929 (2010)

In paragraph 31 of its resolution 1929 (2010) of 9 June 2010, the Security Council called upon all States to report to the Security Council, within 60 days of the date of adoption of the resolution, on the steps they had taken to implement paragraphs 7 to 19 and 21 to 24 of resolution 1929 (2010).

Canada wishes to inform the Security Council that it has implemented all of the Security Council's decisions in resolution 1929 (2010) through the application of existing measures in the Immigration and Refugee Protection Act and the Export and Import Permits Act, and through the imposition of the Regulations Amending the Regulations Implementing the United Nations Resolutions on Iran (SOR/2010-154), which have been in force since 18 June 2010. Furthermore, Canada has implemented most other — non-mandatory — measures in "*Calls upon*" provisions of the resolution through the Special Economic Measures (Iran) Regulations (SOR/2010-165), in force since 22 July 2010.

Canada has put two new sets of sanctions in place to implement the measures contained in resolution 1929 (2010) because the United Nations Act only enables the Government of Canada to give effect to decisions adopted by the Security Council that are binding upon States pursuant to Article 25 of the Charter of the United Nations. Thus, in order to give effect to certain of the non-mandatory "*Calls upon*" provisions of resolution 1929 (2010), additional sanctions have been imposed pursuant to the Special Economic Measures Act (SEMA). That Act authorizes the Governor in Council to make orders or regulations to impose sanctions unilaterally in relation to a foreign State when certain conditions have been met.

The Regulations Implementing the United Nations Resolutions on Iran, as amended (the "United Nations Regulations"), may be found at: http://laws.justice.gc.ca/eng/SOR-2007-44.

The Special Economic Measures (Iran) Regulations (the "SEMA Regulations"), may be found at: http://laws.justice.gc.ca/eng/SOR-2010-165.

Further information relating to Canada's sanctions on Iran may be found at the following link: http://www.international.gc.ca/sanctions/iran.aspx.

Implementation

Specific implementation of the measures contained in resolution 1929 (2010) is occurring as follows.

Paragraph 7

Decides that Iran shall not acquire an interest in any commercial activity in another State involving uranium mining, production or use of nuclear

materials and technology as listed in INFCIRC/254/Rev.9/Part 1, in particular uranium-enrichment and reprocessing activities, all heavy-water activities or technology related to ballistic missiles capable of delivering nuclear weapons, and further decides that all States shall prohibit such investment in territories under their jurisdiction by Iran, its nationals, and entities incorporated in Iran or subject to its jurisdiction, or by persons or entities acting on their behalf or at their direction, or by entities owned or controlled by them.

Pursuant to section 9.1 of the United Nations Regulations, all persons in Canada and all Canadians abroad are prohibited from knowingly making any property or any financial or related service available for the purpose of investing in any commercial activity in Canada involving uranium mining, production or use of the relevant nuclear materials or technology, to any of the following persons or anyone acting on their behalf or at their direction:

- Iran;
- any person in Iran;
- any body corporate incorporated in Iran or subject to its jurisdiction.

In addition, pursuant to section 10 of the United Nations Regulations, all persons in Canada and all Canadians outside Canada are prohibited from doing anything that causes, assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by section 9.1.

Paragraph 8

Decides that all States shall prevent the direct or indirect supply, sale or transfer to Iran, from or through their territories or by their nationals or individuals subject to their jurisdiction, or using their flag vessels or aircraft, and whether or not originating in their territories, of any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register of Conventional Arms, or related materiel, including spare parts, or items as determined by the Security Council or the Committee established pursuant to resolution 1737 (2006) ("the Committee"), decides further that all States shall prevent the provision to Iran by their nationals or from or through their territories of technical training, financial resources or services, advice, other services or assistance related to the supply, sale, transfer, provision, manufacture, maintenance or use of such arms and related materiel, and, in this context, calls upon all States to exercise vigilance and restraint over the supply, sale, transfer, provision, manufacture and use of all other arms and related materiel.

Pursuant to section 3 (g) of the United Nations Regulations, all persons in Canada and all Canadians outside Canada are prohibited from supplying, selling or transferring, directly or indirectly, any of the items listed in paragraph 8 of the resolution. Pursuant to section 4, no owner or master of a Canadian vessel and no operator of an aircraft registered in Canada may knowingly carry, cause to be carried or permit to be carried any of these items. Pursuant to section 5, no person in Canada and no Canadian outside Canada shall knowingly provide, to any person in Iran, technical assistance, financial services, brokerage or other services, related to the supply, sale, transfer, manufacture or use of any of those items. Pursuant to

section 6, no person in Canada and no Canadian outside Canada shall knowingly make available to any person in Iran any property, financial service or investment for those purposes and items.

In addition, pursuant to section 10 of the United Nations Regulations, all persons in Canada and all Canadians outside Canada are prohibited from doing anything that causes, assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by sections 3, 4, 5 and 6.

Furthermore, pursuant to section 4, paragraph 1 (a), of the SEMA Regulations, all persons in Canada and all Canadians outside Canada are prohibited from exporting, selling, supplying or shipping any arms and related material to Iran not already prohibited under the United Nations Regulations. Section 4, paragraph 2, prohibits the provision or acquisition of any financial or other services to, from or for the benefit of, or on the direction or order of, any person in Iran in respect of arms and related material. Section 4, paragraph 3 (b), prohibits the transfer, provision or communication to Iran or any person in Iran of any technical data related to arms and related material.

Paragraph 9

Decides that Iran shall not undertake any activity related to ballistic missiles capable of delivering nuclear weapons, including launches using ballistic missile technology, and that States shall take all necessary measures to prevent the transfer of technology or technical assistance to Iran related to such activities.

Pursuant to section 3 (h) of the United Nations Regulations, no person in Canada and no Canadian outside Canada shall knowingly sell, supply or transfer, directly or indirectly, to any person in Iran or for the benefit of Iran, any technology in respect of any activity related to ballistic missiles capable of delivering nuclear weapons, including launches using ballistic missile technology.

In addition, pursuant to section 10 of the United Nations Regulations, all persons in Canada and all Canadians outside Canada are prohibited from doing anything that causes, assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by section 3.

Paragraph 10

Decides that all States shall take the necessary measures to prevent the entry into or transit through their territories of individuals designated in annexes C, D and E of resolution 1737 (2006), annex I of resolution 1747 (2007), annex I of resolution 1803 (2008) and annexes I and II of this resolution, or by the Security Council or the Committee pursuant to paragraph 10 of resolution 1737 (2006), except where such entry or transit is for activities directly related to the provision to Iran of items in subparagraphs 3 (b) (i) and (ii) of resolution 1737 (2006) in accordance with paragraph 3 of resolution 1737 (2006), underlines that nothing in this paragraph shall oblige a State to refuse its own nationals entry into its territory, and decides that the measures imposed in this paragraph shall not apply when the Committee determines on a case-by-case basis that such travel is justified on the grounds of humanitarian need, including religious obligations, or where the Committee concludes that

an exemption would otherwise further the objectives of this resolution, including where article XV of the IAEA statute is engaged.

Section 35 of the Immigration and Refugee Protection Act enables Canada to prevent the entry into or transit through its territory of the individuals designated by the Security Council. The Immigration and Refugee Protection Act also allows for the exceptions and exemptions to the travel ban in accordance with paragraph 10 of resolution 1929 (2010).

Paragraph 11

Decides that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the individuals and entities listed in annex I of this resolution and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and to any individuals and entities determined by the Council or the Committee to have assisted designated individuals or entities in evading sanctions of, or in violating the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution.

The existing definition of "designated person" in section 1 of the United Nations Regulations is dynamic in that it incorporates the individuals and entities designated by the Security Council or the Committee. Section 9 of the same regulation continues to implement the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006).

Paragraph 12

Decides that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the Islamic Revolutionary Guard Corps (IRGC, also known as "Army of the Guardians of the Islamic Revolution") individuals and entities specified in annex II, and to any individuals or entities acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, and calls upon all States to exercise vigilance over those transactions involving the IRGC that could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear-weapon delivery systems.

The existing definition of "designated person" in section 1 of the United Nations Regulations is dynamic in that it incorporates the individuals and entities designated by the Security Council or the Committee. Section 9 of the same regulation continues to implement the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006).

In addition, Canada designated certain individuals pursuant to section 2 of the SEMA Regulations as former or current senior officials in the Islamic Revolutionary Guard Corps. Pursuant to section 3 of the same regulation, no person in Canada and no Canadian abroad may:

(a) Deal in any property, wherever situated, held by or on behalf of a designated person;

(b) Enter into or facilitate, directly or indirectly, any transaction related to a dealing referred to in subparagraph (a);

(c) Provide any financial or other related service, including insurance or reinsurance, in respect of a dealing referred to in subparagraph (a);

(d) Make any goods, wherever situated, available to a designated person; or

(e) Provide any financial or financial-related service to or for the benefit of a designated person.

Furthermore, paragraph B.2.7.6 of the Nuclear Non-Proliferation Import and Export Control Regulations prohibits the export of any equipment if it is intended, or there are reasonable grounds to suspect that it is intended, in whole or in part, for use in connection with the design, development, production, handling, operation, maintenance or storage of nuclear weapons or other nuclear explosive devices.

Paragraph 13

> *Decides* that for the purposes of the measures specified in paragraphs 3, 4, 5, 6 and 7 of resolution 1737 (2006), the list of items in S/2006/814 shall be superseded by the list of items in INFCIRC/254/Rev.9/Part 1 and INFCIRC/254/Rev.7/Part 2, and any further items if the State determines that they could contribute to enrichment-related, reprocessing or heavy water-related activities or to the development of nuclear-weapon delivery systems, and further decides that for the purposes of the measures specified in paragraphs 3, 4, 5, 6 and 7 of resolution 1737 (2006), the list of items contained in S/2006/815 shall be superseded by the list of items contained in S/2010/263.

Canada has amended sections 3, 7 and 8 of the United Nations Regulations to reflect the new lists of items.

Paragraph 18

> *Decides* that all States shall prohibit the provision by their nationals or from their territory of bunkering services, such as provision of fuel or supplies, or other servicing of vessels, to Iranian-owned or -contracted vessels, including chartered vessels, if they have information that provides reasonable grounds to believe they are carrying items the supply, sale, transfer or export of which is prohibited by paragraphs 3, 4 or 7 of resolution 1737 (2006), paragraph 5 of resolution 1747 (2007), paragraph 8 of resolution 1803 (2008) or paragraphs 8 or 9 of this resolution, unless provision of such services is necessary for humanitarian purposes or until such time as the cargo has been inspected, and seized and disposed of if necessary, and underlines that this paragraph is not intended to affect legal economic activities.

Pursuant to section 9, paragraph 2, of the United Nations Regulations, no person in Canada and no Canadian outside Canada shall knowingly provide a vessel that is registered in Iran or that is contracted to Iran or any person in Iran with goods, materials or services for the vessel's operation or maintenance, including in respect of insurance, stevedoring, bunkering and lighterage, if there are reasonable grounds to believe that the vessel is carrying the items specified in paragraph 18. Section 9, paragraph 2, includes an exception for the provision of such services when necessary for humanitarian purposes.

In addition, pursuant to section 10 of the United Nations Regulations, all persons in Canada and all Canadians outside Canada are prohibited from doing anything that causes, assists or promotes, or is intended to cause, assist or promote, any act or thing prohibited by section 9, paragraph 2.

Paragraph 19

> *Decides* that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall also apply to the entities of the Islamic Republic of Iran Shipping Lines (IRISL) as specified in annex III and to any person or entity acting on their behalf or at their direction, and to entities owned or controlled by them, including through illicit means, or determined by the Council or the Committee to have assisted them in evading the sanctions of, or in violating the provisions of, resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution.

The existing definition of "designated person" in section 1 of the United Nations Regulations is dynamic in that it incorporates the individuals and entities designated by the Security Council or the Committee. Section 9 of the same regulation continues to implement the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006).

Furthermore, pursuant to section 7 of the SEMA Regulations, no person in Canada and no Canadian outside Canada may knowingly provide a vessel that is owned or controlled by, or operating on behalf of, the Islamic Republic of Iran Shipping Lines with insurance services, or stevedoring, bunkering and lighterage and similar services, for the vessel's operation or maintenance. Section 14 of the same regulation excludes from this prohibition any activity that has as its purpose the safeguarding of human life, disaster relief or the providing of food or medicine.

Paragraph 21

> *Calls upon* all States, in addition to implementing their obligations pursuant to resolutions 1737 (2006), 1747 (2007), 1803 (2008) and this resolution, to prevent the provision of financial services, including insurance or reinsurance, or the transfer to, through, or from their territory, or to or by their nationals or entities organized under their laws (including branches abroad), or persons or financial institutions in their territory, of any financial or other assets or resources if they have information that provides reasonable grounds to believe that such services, assets or resources could contribute to Iran's proliferation-sensitive nuclear activities, or the development of nuclear-weapon delivery systems, including by freezing any financial or other assets or resources on their territories or that hereafter come within their territories, or that are subject to their jurisdiction or that hereafter become subject to their jurisdiction, that are related to such programmes or activities and applying enhanced monitoring to prevent all such transactions in accordance with their national authorities and legislation.

Canada has designated over 300 persons (entities and individuals) under the SEMA Regulations. Pursuant to section 3 of those regulations, no person in Canada and no Canadian outside Canada may:

(a) Deal in any property, wherever situated, held by or on behalf of a designated person;

(b) Enter into or facilitate, directly or indirectly, any transaction related to a dealing referred to in subparagraph (a);

(c) Provide any financial or other related service, including insurance or reinsurance, in respect of a dealing referred to in subparagraph (a);

(d) Make any goods, wherever situated, available to a designated person; or

(e) Provide any financial or financial-related service to or for the benefit of a designated person.

Pursuant to section 4, paragraph 1, of the SEMA Regulations, Canada has prohibited the export, sale, supply or shipment of a wide array of goods to Iran, including a large number that could contribute to Iran's proliferation-sensitive nuclear activities. In addition, pursuant to section 4, paragraph 2, of the same regulation, no person in Canada and no Canadian outside Canada may provide or acquire any financial or other services to, from or for the benefit of, or on the direction or order of, any person in Iran in respect of any of these goods.

Furthermore, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act imposes reporting requirements on a wide range of financial institutions. All reporting entities under this Act have also been informed of the risk of doing business with Iran and should take this into account in deciding to file a suspicious transaction report in respect of financial transactions with Iran. Reporting entities are also advised to apply enhanced customer due diligence with respect to clients and beneficiaries involved in such transactions.

Paragraph 22

Decides that all States shall require their nationals, persons subject to their jurisdiction and firms incorporated in their territory or subject to their jurisdiction to exercise vigilance when doing business with entities incorporated in Iran or subject to Iran's jurisdiction, including those of the IRGC and IRISL, and any individuals or entities acting on their behalf or at their direction, and entities owned or controlled by them, including through illicit means, if they have information that provides reasonable grounds to believe that such business could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear-weapon delivery systems or to violations of resolutions 1737 (2006), 1747 (2007), 1803 (2008) or this resolution.

See the measures taken in implementation of paragraphs 12, 18, 19 and 21.

Paragraphs 23 and 24

Calls upon States to take appropriate measures that prohibit in their territories the opening of new branches, subsidiaries or representative offices of Iranian banks, and also that prohibit Iranian banks from establishing new joint ventures, taking an ownership interest in or establishing or maintaining correspondent relationships with banks in their jurisdiction to prevent the provision of financial services if they have information that provides reasonable grounds to believe that these activities could contribute to Iran's

proliferation-sensitive nuclear activities or the development of nuclear-weapon delivery systems.

Calls upon States to take appropriate measures that prohibit financial institutions within their territories or under their jurisdiction from opening representative offices or subsidiaries or banking accounts in Iran if they have information that provides reasonable grounds to believe that such financial services could contribute to Iran's proliferation-sensitive nuclear activities or the development of nuclear-weapon delivery systems.

Pursuant to section 5 (a) of the SEMA Regulations, no person in Canada and no Canadian outside Canada may provide or acquire financial services or any other services to, from or for the benefit of, or on the direction or order of, any person in Iran for the purpose of establishing an Iranian financial institution in Canada or a Canadian financial institution in Iran, establishing a branch, subsidiary or representative office of an Iranian financial institution in Canada or of a Canadian financial institution in Iran, or acquiring a significant interest in an Iranian or Canadian financial institution.

Pursuant to section 5 (b) of the same regulations, many financial institutions are prohibited from providing or acquiring correspondent banking services to, from or for the benefit of, or on the direction or order of, an Iranian financial institution.

Ottawa, 25 August 2010